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Mail Services Connection

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Acquiring new ideas

It's not unusual for people to favor their own ideas. In business, however, it is critical that you seek out the most promising discoveries—even if that means adopting an approach that was first developed outside of your organization. This is especially true when two companies come together.

In May, Pitney Bowes acquired BleuChip International (BCI), expanding our International Mail capabilities in the Midwest. Our reasons for acquiring BCI were two-fold: their technology and expertise was strictly in the international processing and distribution of publications; and their web-based publication management tools provided customers with the data to manage their international mailstream—both paramount to the competitive international mailing industry.

We plan on adopting these new capabilities to our customers and across all four of our International Mail centers – NJ, IL and CA. Soon, our customers will be able to:

- Optimize routing and rates
- Adjust service levels down to individual subscriber levels
- Subscriber self-service to provide address updates and subscription renewals
- Monitor status from receipt of shipment through entry into country of destination
- Manage inventory, view invoices and more



With this acquisition, Pitney Bowes will also launch a new 'Center of Excellence' to meet the international distribution needs of US-based publishers. We are excited about the new team and robust capabilities of this 42,000 sq ft facility in the Chicago area—and welcome these customers to Pitney Bowes.

By combining this new technology with the Pitney Bowes workflows, international networks, services and volume discounts, we will continue to provide the best rates, quality service and an unprecedented amount of mail management information through not only our new Itasca, IL location, but all of our international mail centers, including our facilities in Newark, NJ, Elk Grove Village, IL and Corona, CA. We hope you enjoy these improvements and we look forward to finding new ways to add even more value in the years ahead – no matter where these ideas originate.

Sincerely,
John H. Ward
President, Global Mail Services

The transportation advantage

While we are known for presorting mail, much of the savings we provide are a result of our transportation and logistics expertise. Each year, we physically transport 11 billion mailpieces—covering more than 10 million miles—so we can offer faster delivery, improved service and greater postal discounts. Some examples:



- **The convenience of reliable, daily pickup.** With 290 vehicles and 345 drivers, we schedule First-Class Mail® pick up around the needs of our customers—so your most important communications can be inducted with no delays and no hassles.
- **Faster delivery of Standard Mail®.** 35 operations centers and network alliances enable us to “skip zones” so that mail delivery starts closer to its final destination. Our Co-transportation and Drop Ship Plus services ensure that each piece is trucked directly to a local National Distribution Center (formerly BMC) or Sectional Center Facility, which reduces delivery time.
- **Unrivaled savings on First-Class Mail®.** Through an innovative two-tiered sort called Mail Exchange, we maximize postal discounts and induct mail closer to its final destination. The first sort occurs at your local facility, where we determine if any mail can be inducted into the USPS® mailstream more efficiently at one of our regional facilities. With higher ZIP Code™ densities, this second sort achieves deeper postal discounts on more mail—which allows us to keep costs down.
- **Security and added value.** To safeguard your communications and deliver much-needed peace of mind, we provide
 - GPS / Qualcomm Tracking
 - Secured Vehicles
 - Dual Control, when required
 - Real-time accessibility and communication with all drivers
 - Compliance with all DOT requirements, including background checks and drug testing recommendations
 - Multi-level disaster recovery and logistics redundancy

Overall, our investment in trucks, facilities and secure workflows provide you with significant advantages—at no added cost. If you have any special transportation needs, please let us know.

Mail Flow Management

Managing capacity is always difficult—especially in today’s challenging and complex postal environment. In our continuing efforts to reduce expenses and postage costs, Presort Services has developed a Mail Flow Management System to assist with capacity and labor optimization.



Electronic acceptance by our drivers at your site and time-stamped verification upon arrival at the originating Presort Services site are among the new workflows that will provide for closed-loop quality control and improved notification of issues. Through these enhancements, we expect to gather important data that will not only improve our ability to manage capacity and labor, but will also allow us the opportunity to explore potential cost savings based on changes to mail flow and arrival times.

We will be piloting the Mail Flow Management System in Texas this summer and look forward to sharing more details as the program develops.

USPS seeks January 2011 price increase

The USPS has filed a request to change prices on Market Dominant products effective January 2, 2011. If this proposal is approved, mailers could see a price increase of four to six percent on First-Class Mail®, Periodicals, Standard Mail®, Package Services and Special Services.

As this “exigent” price change falls outside the boundaries set by the Postal Accountability and Enhancement Act of 2006, approval is required by the Postal Regulatory Commission (PRC). The PRC has until early October to accept, reject or modify the price change requests as they deem fit. To see details on this proposed price changes, please visit pe.usps.com and select “*New* Jan. 2, 2011 Proposed Pricing Information.”

Raising the bar - Intelligent Mail® barcode

The USPS will not officially retire the POSTNET™ barcode until May 2011, but many mailers have already made the switch to the new Intelligent Mail® barcode. To date, the USPS has provided mailers time to get up to speed—but come November, expect stricter enforcement of all Full Service IM™ BC rules and requirements.

Billions of Intelligent Mail® pieces have already been sent, processed and delivered, and with the November 7, 2010 release of PostalOne!® 25.0, the USPS will enhance their verification of electronic documentation and reporting submitted for each Full-Service mailing. That means mailers must use unique barcodes across any 45-day period, which includes unique barcodes on all mailpieces, all trays and all containers. All electronic reports must align with the actual physical mail sent.

“From a Post Office perspective, they become more efficient when they can rely on accurate electronic reporting from mailers,” notes Craig Graeve, Vice President, USPS Relations/Support Services. “Clearly, the increased visibility benefits all parties, including mailers and postal officials—we see a day when EDocs and unique barcodes are required for all mail as the USPS continues their march towards the seamless acceptance and verification of automated mail. Mailers who have opted for the ‘basic’ version of Intelligent Mail® should at least consider how they could comply with EDoc requirements if and when that mandate comes.”

Mailers who rely on Pitney Bowes Presort Services already have an advantage. The company has invested millions in the software, inkjet printers and data warehouse upgrades needed to comply with the strict IM™ BC process and reporting requirements. Today, nearly all First-Class Mail® already complies with the Full-Service requirements and customers enjoy many benefits, including free ACS™ service and hassle-free induction. To learn more about IM™ BC requirements and what it means for your organization, please contact your Mail Services representative.

Air Cargo Screening Mandates Take Effect

One of the most important issues addressed by Congress in the 9/11 Act – the 100% screening of cargo on commercial passenger aircrafts – has become a reality. Effective August 2010, 100% of cargo traveling on commercial passenger aircrafts, including mail, must be screened.

Many shippers fear the worst – backlogs and severe mail shipment delays. Rest assured, Pitney Bowes customers don't have to fear. In recent years, Pitney Bowes invested in new technologies, security measures and workflows necessary to screen our customers' cargo in advance – before it arrives at the airport. All three of our International Services operations are certified by the TSA as Certified Cargo Screening Facilities (CCSFs) under the Certified Cargo Screening Program.

Pitney Bowes status as a CCSP participant provides international mailers with confidence that their mail and packages will arrive to their destination safely – and on time. Visit http://www.tsa.gov/assets/pdf/ccsp_iacs.pdf to view the TSA list of Indirect Air Carriers (IACs) authorized to screen cargo for transport on passenger aircraft.

Participate in our webinar on August 3 for more information, or contact your Pitney Bowes International Services representative.



Upcoming 2010 Dates

July 23-26

2010 Bridge Conference
Washington, DC
www.bridgeconf.org

August 3

TSA Webinar
Times: 10 AM and 2 PM EST

August 12-13

Florida Magazine (FMA)
Orlando, FL
www.floridamagazine.org

September 15

National PCC Day
www.usps.com/nationalpcc

October 3 – 6

Graph Expo
Chicago, IL
www.graphexpo.com

October 9-14

DMA 2010 Conference
and Exhibition
San Francisco, CA
www.dma2010.org

Did you know?

We have a new Illinois facility.

Location: Itasca, IL
Size: 42,000 sq ft
Specialty: International Mail Services
Focus: Publication Distribution
Capacity: Over 50M lbs/day

Grand Opening: International Services - Newark

This state-of-the-art, TSA-Certified flagship facility occupies 76,000 square feet, with 14 bay doors for shipping and receiving. Advanced systems, including two VariSort™ mixed mail sorters and high-volume Polywrap machines, deliver speed and savings for mail, publications and parcels processing.



Local and state officials joined Pitney Bowes to cut the ribbon on the company's new mail services facility in Newark. From left to right: Robert DiVincenzo, President, Pitney Bowes International Services; Stefan Pryor, Deputy Mayor for Economic and Housing Development and Brick City Development Corporation Board Chairman; Stephen Sweeney, Senate President; Leslie Abi-Karam, Pitney Bowes Executive Vice President and President, Mailing Solutions Management; Lt. Governor Kim Guadagno; Mayor Cory A. Booker; John Ward, President, Pitney Bowes Global Mail Services.